
PART VII Additional Communications about Service and Compensation Reports

CHAPTER 1: Annuity Estimates Operation

AESOP Overview

Our Annuity *Estimates Operation*, commonly referred to as "AESOP", provides employers with annually updated annuity estimates for their employees who meet the minimum service requirements for annuities under the Railroad Retirement Act. The estimates are based on the employees' cumulative railroad service and compensation through the previous calendar year and assume current year eligibility for an annuity. The estimates exclude creditable military service and are based on the date of birth shown on Form BA-6, Certificate of Service Months and Compensation. If the employee's actual date of birth differs from the date shown on Form BA-6, the annuity estimate may be inaccurate.

Purpose

AESOP is intended for those employers that need RRB annuity estimate information to administer their private pension plans or for other actuarial or budgetary planning purposes. AESOP information should be kept private and secure and be used only for authorized purposes.

Annual Estimate Reports

The annual estimates are released in a report format in early August. The reports are available on paper listings, floppy disks or CD-Rom. They are sent to the person designated by the employer as the "AESOP" contact official on Form G-117a, Designation of Contact Official.

Requesting an AESOP Report

Employer participation in this operation is voluntary. Employers who wish to receive an "AESOP" report should direct their request in writing to the Chief of Compensation and Employer Services. Requests received by June 1 will be included in the current year's estimate operation. Requests received after June 1 will be held until the following year.

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Part VII, Chapter 1

CHAPTER 1: Annuity Estimates Operation, Continued**Individual
Employee
Estimates**

Individual annuity estimates are always available to employees through the local field offices of the Railroad Retirement Board. The field offices use the Railroad Estimated Annuity Program (REAP) that can accurately provide estimates for individual cases. Please *do not* refer individuals to the Chief of Compensation and Employer Services or the Quality Reporting Service Center for annuity estimates.

Employees can also acquire an estimate through the RRB Mainline Services on the website at www.rrb.gov.

CHAPTER 2: Requests for Adjustments and Clarification

Clarification of Data Sent to the RRB

Employers may receive written requests, in the form of referrals or form letters, for adjustment to, or clarification of, previously submitted service and compensation reports. Some notices are merely advisory in nature about reports that have been processed. Others require a response from the employer in order to process a service and compensation report that is being held in abeyance, or suspended status, while awaiting correction from the employer.

Some of the more common form letters released are explained below.

Handling Service and Compensation Referrals

The first and most difficult step in handling service and compensation referrals sent to you by the RRB is determining what is wrong. Some of the messages point directly to a single error and others are very general. Because the relationship between Tier I and Tier II compensation raises so many questions, a special section is included in the Appendix VII entitled, "Understanding Edit Checks of Tier I and Tier II Compensation." Once you have determined the data that is in error, it will usually be clear how to correct the problem.

Form GL-4 Reject and Error Referral Listing

The RRB developed an automated error tracking system that generates referrals to notify the employer of errors contained in your service and compensation reports. Form GL-4, Reject and Error Referral Listings is a packet that includes:

- The error referral;
- Instructions for making the correction;
- A Form BA-4, Adjustment Report; and
- A Form G-440, Report Specification Sheet.

The listing shows the information submitted by the employer on the original report along with an explanation of the error. Take the appropriate action and return the completed Form BA-4 within 30 days. If you have questions, the referral also provides a contact person and telephone number to call.

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CHAPTER 2: Requests for Adjustments and Clarification, Continued

Explanation of Referrals and Corrective Action

A list of referrals organized in alphabetical order is included in Appendix VIII. The list includes the reason the referral was created and how to resolve it. Each referral message also indicates whether the original service and compensation (S&C) data or sick pay data was rejected or posted to the employee's record. The differences in working referrals for rejected data and referrals for posted data are also explained.

Form Letter GL-24

Form letter GL-24, Advisement of Incorrect Social Security Number, is released when the name and social security number on the NRO report does not agree with the name and social security number in SSA's records. This notice usually indicates that the employer is using an incorrect social security number.

Form Letter GL-77a

Form letter GL-77a, Report of Incorrect Name, is released when the name reported for a social security number does not agree with the name previously reported. This notice usually indicates that a name change was not filed with the RRB or SSA. Your reply to this letter will correct the employee name in the RRB record. You should advise the employee to file a name change with SSA, if they have failed to do so.

Copies of these letters can be found in the Exhibits section of this manual.

Filing Adjustments

If you file an adjustment report to handle one referral and you get another referral, call the supervisor of our Wage Accounting section at (312) 751-3370 for assistance. Filing an adjustment that takes into account two previous reports is complicated and the RRB staff will be able to assist you.

CHAPTER 3: Form Letter GL-99 Employer's Deemed Service Month Questionnaire

Deemed Service Months In order to complete Form Letter GL-99, Employer's Deemed Service Month Questionnaire, an understanding of deemed service months is necessary.

Effective January 1, 1985, additional service months may be deemed in some cases where an employee does not actually work in every month of the year. An employee may never be credited with more than 12 service months in any calendar year and the employee must be in an employment relation with a covered railroad employer in order for that month to be deemed.

Deemed Service Month Calculation To determine the maximum number of deemed months for an employee for a year:

Step	Action
1	Multiply the number of reported service months by 1/12 the annual Tier II maximum compensation for the year.
2	Subtract this product from the reported Tier II compensation. <i>If the result is zero or negative, no deemed months are possible. If the result is a positive amount, go to Step 3.</i>
3	Divide by 1/12 the Tier II maximum compensation.
4	Round up to a whole number.

This is the maximum, or potential number of deemed service months. The actual number of deemed months will depend on whether the employee has an employment relation in the months not worked.

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**CHAPTER 3: Form Letter GL-99 Employer's Deemed Service
Month Questionnaire, Continued**

**Form GL-99,
Employer's
Deemed Service
Month
Questionnaire**

Employers do not report deemed service months and the deeming of service months has no effect on the employer's report of service and compensation or tax liability. Deemed service months are determined and recorded by the RRB. Where the employee's Tier II compensation would yield additional service but an employment relationship is not apparent, the employer must provide that information by responding to Form GL-99, Employer's Deemed Service Month Questionnaire.

Form GL-99 is designed to obtain information as to whether an employment relation exists in certain months. The person completing the form need only answer "Yes" or "No" to question 8. The "remarks" section is for supplementary information you may wish to provide; it should not be used instead of answering question 8 directly. A prompt reply will eliminate the need for the RRB to trace for GL-99 replies.

Note: Form GL-99 also requires a Form BA-4, Report of Creditable Compensation Adjustments, in addition to a response if you advise that the service and compensation previously reported was incorrect.

CHAPTER 4: Form Letter GL-132 Annuitant Return to Service

Why is Form Letter GL-132 Sent?

Form Letter GL-132 is designed to determine if service months, reported after an annuitant's annuity beginning date, are properly credited. An annuity under the Railroad Retirement Act (RRA) is not payable for any month in which an employee works or otherwise earns creditable service from an employer covered under the RRA. If service is reported for a month that is after the month an employee was awarded an annuity under the RRA, a Form Letter GL-132 will be sent to clarify the service.

It is important that the responses to GL-132 letters are properly completed. The Railroad Retirement Board will take action based on your response. This action may result in recovery of benefits paid to your employee.

Completing Form Letter GL-132

To complete Form Letter GL-132, first refer to the service month detail in Part I. A "1" indicates a reported service month and a "0" indicates that no service month was reported. Review the service month information for accuracy. Go to Part II and check the applicable response.

Check the first response if the service month detail is incorrect. The RRB will remove the service month(s) from the annuitant's record. **You do not need to file Form BA-4, Report of Creditable Compensation Adjustments.**

Check the second response if the service month detail is correct and provide an explanation as to why the employee is entitled to the service month(s). Keep in mind that service is always creditable when the service is performed, not when the payment is made and taxed. Service should never be reported for a month after the relinquishment of the employment relationship.

If neither of the two responses applies, call a Quality Reporting Specialist at (312) 751-4992 for further instructions.
